

**STOP
&
SHOP**



WJ
STOP & SHOP
SUPER MARKETS

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION

ANNUAL REPORT

for the year ending June 30

1956



STOP & SHOP, INC.

393 D STREET, BOSTON 10, MASS.

Officers

Joseph Rabinovitz President
Sidney R. Rabb
Chairman of the Board and Treasurer
Walter A. Metcalf Vice-President
Michael F. O'Connell . . . Vice-President
Irving W. Rabb Vice-President
Norman S. Rabb Vice-President
Jacob Rabinovitz Vice-President
Lloyd D. Tarlin Vice-President
Max E. Bernkopf Clerk
Arthur L. Sherin Assistant Clerk

Directors

William Applebaum	Jacob Rabinovitz
Max E. Bernkopf	Joseph Rabinovitz
Irving W. Rabb	Arthur L. Sherin
Norman S. Rabb	Sidney L. Solomon
Sidney R. Rabb	Lloyd D. Tarlin

Transfer Agents

The First National Bank of Boston

Registrars of Stock

The National Shawmut Bank of Boston

Auditors

Myron Heller & Company, Boston

General Counsel

Sherin & Lodgen, Boston

TO THE SHAREHOLDERS, EMPLOYEES

This annual report reflects the greatest forward stride in sales and earnings in the history of our company.

Sales were \$98,189,345 compared with \$82,430,337, a gain of 19.1%. With the food price index practically unchanged from a year ago, this represents a similar increase in tonnage handled.

Net income after taxes was \$1,374,411 amounting to \$1.25 per share; compared with \$1,003,517 or \$.91 for the previous fiscal year, computed on the basis of the shares now outstanding. During this year we suffered severe losses from floods and blizzards.

Our rapid growth has made it desirable to strengthen our working capital. Our term loan of \$2,500,000, held by an institutional investor was rewritten as of February 1, 1956 for \$4,500,000 with interest at 3 $\frac{3}{8}$ % for 15 years. Sinking fund payments of \$250,000 annually are required beginning in 1959, leav-

ing a balance of \$1,500,000 due in 1971. Consolidated working capital was \$5,660,400 on June 30, 1956 compared to \$4,091,315 a year ago.

Charges for depreciation reflect the increased capital investment in markets and the growing number of properties owned by our subsidiaries. These charges were \$841,383 for the year of which \$225,784 represents the depreciation of our real estate subsidiaries. Depreciation is based on the method consistently followed in prior years. For tax purposes, however, depreciation on assets acquired since December 31, 1954 has been taken on an accelerated method provided in the Revenue Act of 1954.

Quarterly dividends total 36 $\frac{2}{3}$ c per share for the year. The present dividend rate is 40c per share annually. A 2% stock dividend was paid on February 15, 1956 and the shares were split 3-for-1 on May 21, 1956.



SIDNEY R. RABB



JOSEPH RABINOVITZ

AND FRIENDS OF STOP & SHOP

Eight large markets were opened and ten small stores were closed during the past year. Two have been opened since June 30 and eight more are now under construction. The new stores opened during the past year have an average sales area of 11,500 square feet compared to an average sales area of 4400 square feet for the stores closed. Thirty-nine stores accounted for 78% of our total sales. The average annual sales of this group exceeded \$2,100,000 per store.

Our real estate subsidiaries have had their busiest year. They constructed the eight stores which opened during the year and two stores which have been opened so far in this fiscal year. Currently, they have eight under construction and four in process of enlargement. In addition they have constructed additional stores adjacent to our markets in Hyannis, Marlboro and Gardner for other tenants. Five parcels no longer occupied by us have been sold on a favorable basis. All completed buildings have been financed and mortgage commitments have been arranged on all properties now under construction.

We have continued our practice of many years of adding new facilities and equipment in stores, warehouses and bakery. Our new Perishable Distribution Center has been in operation since August 1955. Increased grocery warehouse facilities are necessary for our growing needs. A sub-warehouse has been recently leased to relieve our present crowded condition and plans are currently underway to solve our long-range warehousing problem.

The cost of opening new stores is not measured by capital outlays alone. Employee training, stocking and promotional expense represent a substantial cost and are a direct

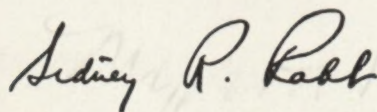
charge against current earnings. The earnings of each new store must offset these costs so that the full benefit of a new store is not immediately evident in a current year's financial statement. The results achieved in the past year include these heavy new store opening expenses.

The future for our industry continues to be extremely bright. The addition of many new food items and the introduction of more non-food items should enable supermarkets to get a larger share of the customer's dollar. Most economic forecasters predict that consumer spending will remain at a high level. Though competition will undoubtedly remain keen, we approach the new year with confidence and are planning for a substantial increase in sales.

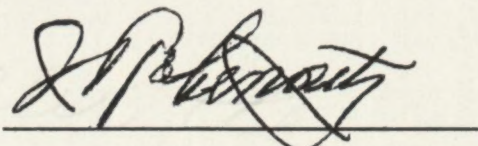
Our present expansion program, which has been planned for many years, is now being accelerated. The favorable reception of new Stop & Shop markets augurs well for our future and gives us added encouragement to quicken our rate of growth.

A company that is growing rapidly offers many chances for its people to develop. New stores mean more opportunities for promotion all along the line, and makes it possible for us to attract ambitious people to our company. The development of people, the appraisal and evaluation of our human assets represents a constant challenge to us.

This report tells a story of a year of sound progress. It is one of teamwork on the part of over 3600 men and women who are Stop & Shop. It is their story, and we express our sincere appreciation for their efforts to make Stop & Shop a better place to work and a better place to trade.



CHAIRMAN OF THE BOARD



PRESIDENT

HIGHLIGHTS of Fiscal Year

	<u>This Year</u>	<u>Last Year</u>
SALES	\$98,189,345	\$ 82,430,337
EARNINGS		
Before taxes on income	2,640,137	1,698,296
After taxes on income	1,374,411	1,003,517
Paid to shareholders as dividends	398,683	350,000
Reinvested in the business	975,728	653,517
Per dollar of sales	1.40	1.21
Per share of stock now outstanding	1.25	.91
Current Assets	11,969,521	9,860,474
Current Liabilities	6,309,121	5,769,159
Working Capital	5,660,400	4,091,315
Current Ratio	1.90	1.71
Shareholders Equity	10,537,449	9,561,721
Stores Opened	8	4
Stores Closed	10	11
Stores in operation year end	83	85
Employees	3685	2985

Notes Relating To Financial Statements

JUNE 30, 1956

NOTE 1. Cost of land and buildings of various locations acquired by parent's wholly owned affiliates and leased to it for sundry terms running to 25 years.

NOTE 2. Amortization of store and warehouse rehabilitation costs and leaseholds is spread over the life of each lease affected.

NOTE 3. The notes aggregating \$4,500,000.00 bearing interest at the rate of 3 7/8% per annum are dated February 29, 1956 and June 11, 1956 for \$3,500,000.00 and \$1,000,000.00 respectively. Payments on account of principal of these notes are required in an amount of \$250,000.00 on February 1, 1959 and on each February 1 thereafter.

NOTE 4. Term loans with sundry maturities to 25 years and not assumed by either the parent or its affiliates, are, nevertheless, secured by mortgages and assignment of leases running from the parent to its affiliates.

NOTE 5. The Capital Surplus was increased by \$315,480.00 and capital stock by \$7,170.00 resulting from a 2% capital stock dividend paid on February 15, 1956. On May 21, 1956 the capital stock was split by issuing two additional shares for each share held. This resulted in a transfer from Capital Surplus to Capital Stock of \$731,414.00.

NOTE 6. Equivalent rates of depreciation were applied to the cost valuation of the depreciable property as were applied in the previous year. The depreciation charge of real estate buildings owned by wholly-owned real estate affiliates amounted to \$225,784.43 as compared with \$163,407.69 for the preceding year. Depreciation deductions for the purpose of ascertaining the federal income tax liability were computed on an accelerated basis permitted by the applicable provisions of the 1954 Revenue Act.

STOP & SHOP INC.

ASSETS

	JUNE 30, 1956	JULY 2, 1955
CURRENT ASSETS:		
Cash on hand and in banks	\$ 3,624,764.07	\$ 3,555,310.80
Advances to location owner for construction (paid since close of fiscal year)	532,500.00	
U. S. Treasury Notes		248,000.00
Accounts Receivable:		
Due from trade debtors, including recharges to manufacturers, municipal relief agencies, and sundry claims less reserve	\$575,659.93	
Due from employees	9,339.62	
	584,999.55	363,939.18
Inventories:		
Physical inventories evaluated at average invoice cost or lower than cost, reflecting market prices, located in the company's warehouses, in storage, in stores, in transit and in vendors' premises	7,227,257.73	5,693,224.61
Total Current Assets	\$11,969,521.35	\$ 9,860,474.59
Officers' life insurance at cash surrender value	169,232.65	160,170.60
INVESTMENTS OF WHOLLY-OWNED AFFILIATES:		
In real estate owned in fee simple at cost (See Note 1)	\$13,912,381.28	\$11,025,828.21
Less — Reserve for depreciation of buildings	1,161,463.80	992,394.09
	12,750,917.48	10,033,434.12
Other Investments in companies not controlled	30,835.20	75,005.60
FIXED ASSETS (at cost):		
Real estate land and buildings	\$ 279,469.69	\$ 256,849.87
Store equipment, fixtures, etc.	4,316,352.62	3,984,713.21
Warehouse and office equipment, fixtures, etc.	493,045.52	348,358.11
Manufacturing machinery and equipment	1,489,517.28	1,403,110.14
Automobiles and trucks	63,716.11	64,142.32
Total	\$ 6,642,101.22	\$ 6,057,173.65
Less — Reserves for depreciation	2,969,836.58	2,745,092.08
	3,672,264.64	3,312,081.57
DEFERRED CHARGES TO OPERATIONS:		
Unexpired insurance policy premiums at unearned values	\$ 93,037.28	\$ 72,776.02
Unamortized costs of rehabilitation of store locations, warehouses and leaseholds (See Note 2)	3,014,693.97	1,469,140.79
Construction, maintenance and store supplies	242,192.05	100,365.10
Unamortized expense on company long term debt	25,311.14	1,776.81
Prepaid rentals, etc.	8,909.80	25,760.31
	3,384,144.24	1,669,819.03
	<u>\$31,976,915.56</u>	<u>\$25,110,985.51</u>

Consolidated Balance Sheet

(Including Wholly-Owned Affiliated Companies)

LIABILITIES

	JUNE 30, 1956	JULY 2, 1955
CURRENT LIABILITIES:		
Accounts payable — trade creditors on open account	\$4,384,855.86	\$3,826,986.94
Current amortization payments on term promissory notes		226,000.00
Current amortization payments on real estate mortgages of wholly-owned affiliates	683,071.55	504,496.03
Accrued Accounts:		
Federal income taxes (estimated)	684,950.55	588,174.90
Commonwealth of Massachusetts income, excise and other state and municipal taxes	270,298.02	272,501.41
Social security and unemployment insurance — federal and state contributions	99,590.26	91,168.75
Other accrued items including payroll, rent and interest	186,355.71	259,831.15
Total Current Liabilities	\$ 6,309,121.95	\$ 5,769,159.18
3% Promissory Notes due February 1, 1971 (see Note 3)	4,500,000.00	
Promissory notes previously outstanding cancelled		2,274,000.00
Purchase money obligations of wholly-owned affiliates under mortgages on real estate to be amortized by monthly and quarterly payments (See Note 4)	10,630,344.30	7,506,105.11
CAPITAL:		
Authorized 2,000,000 shares of \$1.00 par value capital stock of which 1,097,121 shares are issued and outstanding (See Note 5)	\$1,097,121.00	\$ 358,537.00
Capital Surplus (See Note 5)	3,636,286.20	4,052,220.20
Surplus	5,804,042.11	10,537,449.31
	<u>10,537,449.31</u>	<u>5,150,964.02</u>
	<u>\$31,976,915.56</u>	<u>\$25,110,985.51</u>

Accountant's Certificate

We have made an examination of the books and accounts of Stop & Shop, Inc., including its wholly-owned affiliates, for the fiscal year ended June 30, 1956. In accordance with generally accepted auditing standards applicable in the circumstances, omitting no procedure inherent therein, this examination consisted of a detailed audit of such transactions that we believed to be important, that were effected during the fiscal year above stated, but did not include a detailed audit of all transactions. We have verified by outside confirmation such of the balance sheet items we deemed appropriate and necessary; and we are of the opinion, by reason of our familiarity with the controls and accounting records of the companies, and having applied necessary auditing procedures, that those items not verified in this way are correctly stated.

In our opinion, based upon such examination, the attached financial statements and their relative notes attached hereto fairly present, in accordance with generally accepted principles of accounting applied on a basis consistent with previous years, the financial position of the companies at June 30, 1956 and earnings for the fiscal year ended with that date.

MYRON HELLER & COMPANY
Certified Public Accountants

Boston, Massachusetts
August 23, 1956

STOP & SHOP INC. *Consolidated Profit And Loss Statement*

(Including Wholly-Owned Affiliated Companies)

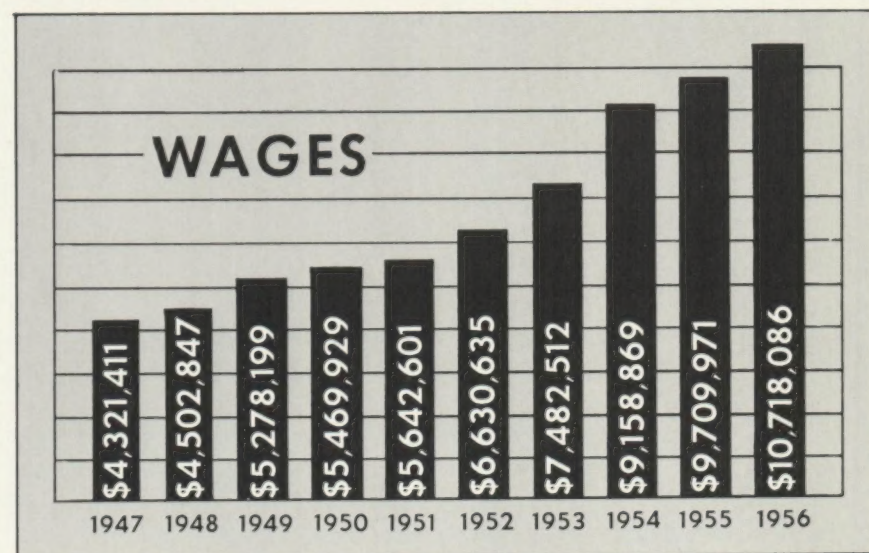
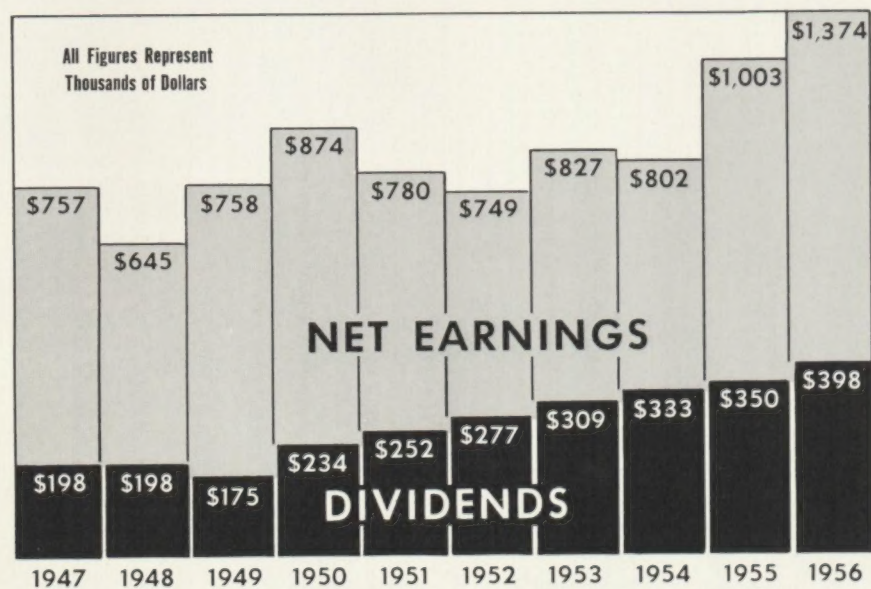
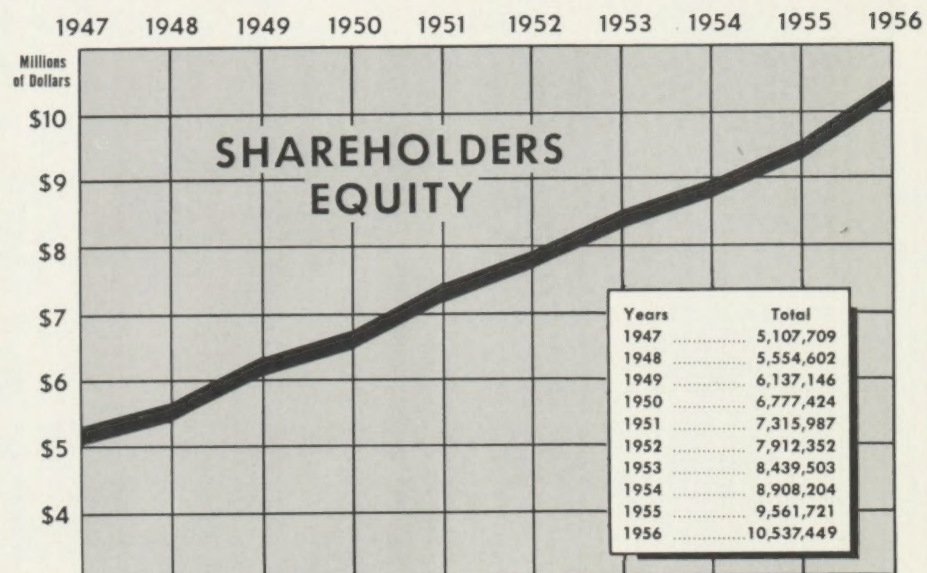
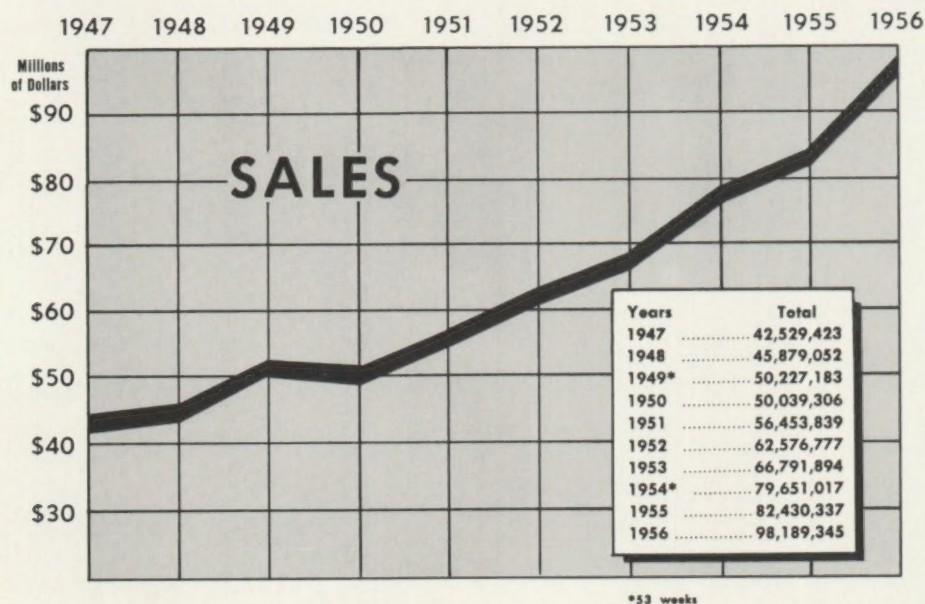
	FISCAL YEAR ENDED JUNE 30, 1956	FISCAL YEAR ENDED JULY 2, 1955
SALES (at retail)	\$98,189,345.76	\$82,430,337.38
Less — Cost of sales and operations	<u>95,345,642.59</u>	<u>80,492,937.56</u>
	\$ 2,843,703.17	\$ 1,937,399.82
ADD OTHER INCOME:		
Cash discounts on purchases, interest income, etc.	682,193.90	522,206.33
Profit on sale of capital assets, etc.	<u>83,357.66</u>	<u>48,975.76</u>
Profit before deducting depreciation, interest and federal income taxes	<u>\$ 3,609,254.73</u>	<u>\$ 2,508,581.91</u>
DEDUCT:		
Depreciation of buildings, equipment, trucks and automobiles (See Note 6)	\$ 841,383.92	\$ 725,829.47
Interest on unsecured loans, etc.	<u>127,733.04</u>	<u>84,455.66</u>
Total	<u>\$ 969,116.96</u>	<u>\$ 810,285.13</u>
Net profit before deducting federal income taxes	<u>\$ 2,640,137.77</u>	<u>\$ 1,698,296.78</u>
Less — Federal income taxes (estimated)	<u>1,265,726.23</u>	<u>694,779.21</u>
NET PROFIT TO SURPLUS	<u><u>\$ 1,374,411.54</u></u>	<u><u>\$ 1,003,517.57</u></u>

Consolidated Surplus Statement

Fiscal Year Ended June 30, 1956

BALANCE, July 2, 1955	\$5,150,964.02
Add — Net profit for the fiscal year ended June 30, 1956	1,374,411.54
	\$6,525,375.56
Deduct:	
Cash dividends paid quarterly	\$398,683.45
2 Per cent capital stock dividend paid February 15, 1956	<u>322,650.00</u>
	<u>721,333.45</u>
BALANCE, June 30, 1956	<u><u>\$5,804,042.11</u></u>

10 YEAR COMPARISONS AT A GLANCE



Staff Committee

Management Staff Committee meets weekly to exchange ideas, review company performance and study plans for future. This executive group which shares the management responsibility is composed of operating and staff heads concerned in fields of sales, merchandising and operations, finance and real estate, employee relations, food manufacturing, warehousing and transportation, construction and planning, marketing research and accounting

Members of the staff committee have an average experience of 21 years in food retailing, while the average age of group is only 46 years.

Front, l to r: NORMAN S. RABB, IRVING W. RABB, LLOYD TARLIN

Rear, l to r: DONALD GANNON, ANDREW KUHN, WALTER METCALF, HOWARD GREEN, ROBERT KROEGER.



MANAGEMENT...young in

Merchandising Committee

Sales are the life-blood of a retailing organization. Constant review, appraisal and planning are important factors in coordinating a well-integrated sales approach. Sales managers meet weekly with operating officers to coordinate sales promotional activities. Members of this group have an average 21 years experience, covering varied business cycles starting in the early Thirties. Average age: 45.

Front, l to r: HARRY SHAIN, Director Adv. and Sales Promotion; BARNEY WEISBERG, Sales Manager, Produce; HAROLD RALENS, Sales Mgr., Groceries and Dairy; HARRY COHEN, Sales Manager, Meat. Rear, l to r: RICHARD SPEARS, General Store Sup't.; JAMES REYNOLDS, Ass't. Sales Manager, Meat; DONALD GANNON, Director Retailing Division; CHARLES CARROLL, General Store Sup't., Hartford Unit; LOUIS STEINBERG, Advertising Manager; SHEPPARD WERNER, Ass't. Sales Manager, Produce. Missing from photo is EDMUND SCHISSEL, Sales Mgr., Bakery Products.





Store Supervision

Coordinating the various activities at the store level and maintaining performance standards is the responsibility of the field supervisory organization. District Managers and Product Merchandisers who make up this group are in daily contact with the stores. Some of the men have been with the company since its inception. Again, we are fortunate in being long on experience and young in years. The average age is 46 with a total of 529 years of experience in food retailing.

Front Row, l to r: C. POTTEY, A. PONTE, D. FINE, J. CALARESO, F. TODINO, E. WALDRON, B. THURMAN. 2nd Row, l to r: M. GOLUB, E. SCAVITTO, J. MOBILIA, M. NEIBERG, M. GREENE, A. MURPHY. 3rd Row, l to r: L. SIMONS, A. BLOOM, S. RODMAN, A. OBLACHINSKI, J. THOMSON, J. HEWITT, J. REYNOLDS, N. FEELEY, H. ABRAHAMS, W. CULLEN.

years, mature in experience



Resident Store Supervisors

Operating a supermarket with an annual sales volume of two million dollars or more requires a great deal of business and human relations acumen. A recent entry in the management organization are these resident store supervisors who are responsible for the overall operation of the stores they manage. Many of the men started their careers with the company when they graduated from school and have an experience that totals 462 years. As a group their average age is only 43.

Front, l to r: K. CANHAM, E. LAWLOR, W. DAVIS, F. JOHNSTON, B. PASKAVITCH, M. MILLER. 2nd Row, l to r: R. MEISNER, B. RUTKOWSKI, R. HERSEY, H. GREENFIELD, W. CORRIGAN. 3rd Row, l to r: H. ALSTON, J. TORENTA, R. VERDUN, A. KAIZZI, W. FRANK, J. DUNN, S. FALCIONE, H. SIMONS, A. KOTSPOULOS, A. HARTNETT, E. CARPENTER.



FELLSWAY, MEDFORD — our largest store is located on a busy intersection of the Fellsway at the junction of U.S. Route 1, Route 16 and Route 28. It opened December 14, 1955. Store area: 30,257 square feet. Parking space can accommodate 400 cars.



STAFFORD SQ., FALL RIVER — on busy Route 6. Opened August 3, 1955. Store area: 15,431 square feet. Over 200 car parking.



DEDHAM — on Route 1, near Route 135. Opened September 7, 1955. Store area: 17,177 square feet. Over 200 car parking.



WEBSTER SQ., WORCESTER — where Route 9 joins Route 12. Opened July 6, 1955. Store area: 16,905 square feet. Parking for 335 cars.



GLENDALE SQ., EVERETT — on Route 1. Opened March 14, 1956. Store area: 15,472 square feet. Parking for 220 cars.

8 NEW STORES
opened during past year
 FISCAL YEAR ENDED JUNE 30, 1956



VINNIN SQ., SALEM — on Route 1-A, at the Salem-Swampscott line. Opened April 25, 1956. Store area: 16,905 square feet. Parking for over 250 cars.



FALMOUTH — on Route 28 on Cape Cod. Opened June 6, 1956. Store area: 12,976 square feet. Parking for over 270 cars.



GARDNER — on Route 140, near junction with Route 2. Opened June 27, 1956. Store area: 12,976 square feet. Parking for 225 cars.

NEW STORES MEAN NEW OPPORTUNITIES



First Store of New Fiscal Year on Route 9, Newton

Within two weeks of the beginning of the new 1956-57 fiscal year, this splendid store opened on Route 9, near the Chestnut Hill Shopping Center. Fronting on a heavily-traveled highway and surrounded by a fine residential area, it is the forerunner of many other units now building on carefully selected sites. They vary in location from densely populated metropolitan areas to growing suburbs and huge shopping centers.

At least 12 new stores are planned to open during the current fiscal year. A partial list of stores to come appears below. The first, East Longmeadow, opened in August. The next nine (through Waltham) are under construction; the next four are on the drawing boards and the remainder are sites owned, leased, or in process of acquisition.

Route 83, East Longmeadow

Junction of Routes 3 and 18,
Weymouth

Albany Avenue, and Garden
Street, Hartford, Conn.

Washington Street at
Columbia Rd., Dorchester

Rt. 1, at Main St., Saugus
Ferry Street, Haverhill

*Waterbury Plaza,
Waterbury, Conn.

Aiken and Pawtucket Sts.,
Lowell

Pawtucket, Rhode Island

*Peabody

Main and Linden Sts.,
Waltham

Thompsonville, Conn.

Middletown, Conn.

Framingham

Willimantic, Conn.

Holyoke

*East Springfield

New Britain, Conn.

Lynn

Haverhill

North Attleboro

*Natick

Concord

*Lincoln Plaza, Worcester

*East Providence, Rhode Island

*Warwick, Rhode Island

*East Haven, Conn.

*Located in Shopping Centers.

BUILDING MORE STORES SERVING MORE PEOPLE

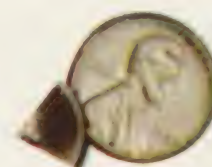
Stop & Shop serves the tri-state area that forms the southern half of New England. A mature and highly industrialized area, its major resource is its people. The high educational level of the area is reflected in one of the highest average incomes in the nation. This highly skilled population mirrors its maturity in stable labor relations. Its strike record is almost 50% better for the past 10 years than the nation as a whole. Its attraction to industry is demonstrated by the fact that the number of manufacturing establishments in New England is up 50% since 1939.





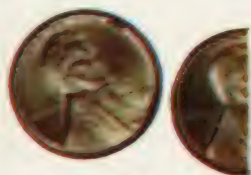
82.4¢

Cost of Goods—For merchandise, transportation, miscellaneous expenses and handling costs other than wages.



1.2¢

Set aside for — wear and tear on equipment and buildings and spent for their maintenance and repair.



1.5¢

For taxes — Federal and State.



1.8¢

For — store rentals, light, heat and other utilities.



11.7¢

For wages and other employee benefits, including social security, retirement income and group insurance.



1¢*

Remained to — build new stores, improve others, and provide for emergencies.



.4¢*

Paid — in dividends to shareholders.

**These two items together total the net profit on each dollar of merchandise sold by Stop & Shop.*

New Hartford Unit readied for expansion



HARTFORD UNIT MANAGEMENT TEAM —

l to r, General Store Superintendent Charles Carroll, Meat Sales Manager Raymond Fleming, District Manager J. David Fine, Produce Sales Manager Angelo Eliopoulos and Personnel Representative Ernest Ciriack.

The new Hartford Unit has been established as part of our decentralization of operations to meet the demands of planned expansion and to improve service. The Hartford Unit encompasses Western Massachusetts and Connecticut.

The heart of this region is the Connecticut River Valley, and it is primarily in this territory that we plan to build a number of new stores. The store in East Long-

meadow, which just opened in the latter part of August, brings the total up to 9 stores that are now operated in this unit. (Under construction and opening soon, another store in Hartford). The growth potential is excellent because the average per capita income is one of the highest in the country. Industry is highly diversified and many new facilities are moving into the area. We believe that this Hartford Unit should grow into a prime contributor to our sales and earnings.

New Perishable Distribution Center

- - a great step forward
in bringing fresher
foods to our customers

Our new Perishable Distribution Center went into operation in August, 1955. The completely air-conditioned building, with its controlled refrigeration and humidity, was designed to maintain meat and produce at top quality. Located diagonally across the street from our headquarters, it permits speedy, efficient distribution of perishables to our stores.

The cargoes of merchandise coming in on freight cars and trucks move into the building on rails or pallet-toting electric jacks. They await distribution in freezers, coolers and ripening rooms and then move out to temperature-controlled trucks. Arrival at the stores finds them at the peak of perfection.

The new Center holds enough poultry to provide a Sunday dinner for 225,000 people. It has enough fish to make chowder for half the folks of Massachusetts. There's enough food stored in it to feed every person in a city the size of Springfield three meals a day for a week, with plenty of second helpings.

In the office area over the Center are carried on the operations of the Meat and Produce Sales Departments. Also housed in the building are the Personnel Division, the Operating Services Division, the Construction Department, Store Planning Department and Store Service.

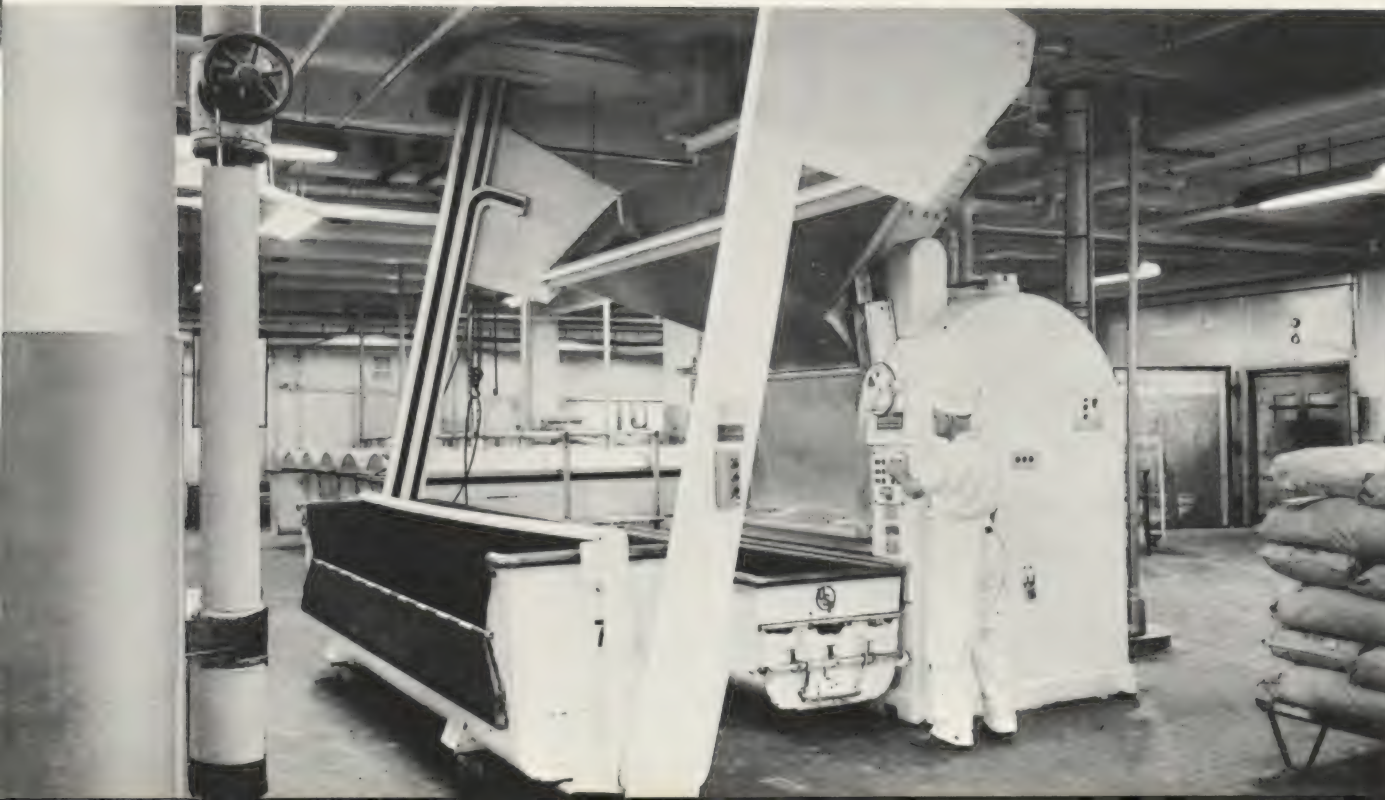




Improved Facilities . . .

ENLARGED RECEPTION AREA AT GENERAL OFFICE

As our company's line of merchandise increases, more and more people call on us. To provide more comfortable facilities for this growing number of visitors we have enlarged our reception area.



MODERN BAKERY MACHINERY IN OUR FOOD PLANT . . .

enables us to meet the increasing demands of the growing number of Stop & Shop markets. Typical is the bread mixer shown in operation. Another new facility completed during the past year is a huge deep-freeze area to enable us to get into production of frozen food products.

SALES

GUARANTEED to please

STOP SHOP
since 1960

STOP & SHOP GIVES YOU
TOP VALUE STAMPS ...
PLUS VALUES LIKE THESE!

STOP & SHOP
EVERY MARKET

FOODS SALE



NIBLETS
CORN

2-29¢



WELCH'S
TOMATO
JUICE

-25¢



**GREEN
GIANT**
PEAS

5-95¢

WE'VE MET QUALITY! STOP & SHOP WHITE TUNA

3-95¢

GRAPEFRUIT 4-39¢
CANTIFLOV 7-29¢

EXTRA HARVEST MOON 49¢
LAYER CAKE 19¢

COOKED HAMS 39¢
Stuck Pot

FREE PAST - 5¢

LARGE ROASTING CHICKENS!

BUT MOM -

**IT'S
NICE
TO
SAVE
TWICE**

AT STOP & SHOP YOU GET


**LOW
LOW
Prices**

plus

**Top Value
Stamps**

FREE!

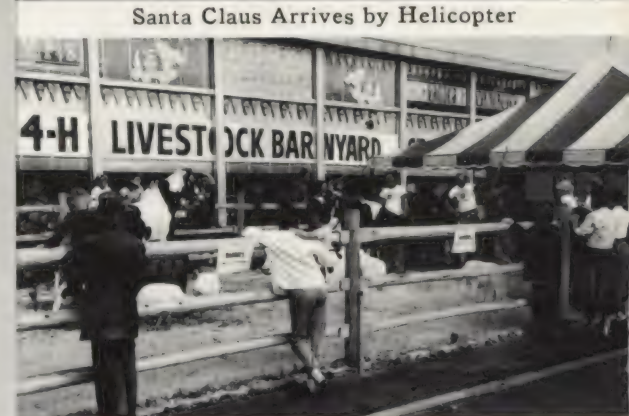
BUT MOM —
it WAS A STOP & SHOP
BLUEBERRY
PIE!



SAVE 49¢ OFF

STOP & SHOP
SUPER MARKET

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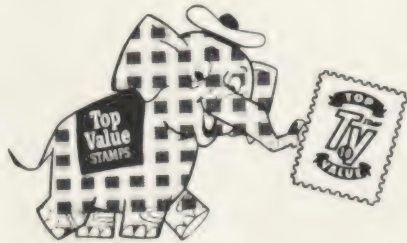


4-H Club Exposition at Stop & Shop

Block Dance Draws Happy Crowd

BUILDERS

TOP VALUE TRADING STAMPS



Early last year it became apparent that a substantial number of retail food customers desired trading stamps with their purchases.

Our Company was one of the original organizers of Top Value Enterprises, along with several non-competing food chains. Among them: The Kroger Co.; Standard Humpty Dumpty, Oklahoma City; Hinky Dinky Food Stores, Omaha, Nebraska. The management team directing this new Company came from Cappel-MacDonald Co. and The Gold Bond Stamp Co.

Although organized as recently as the Spring of 1955, Top Value Enterprises Inc. is already the second largest trading stamp company in the country. In the territory in which we operate markets, over 900 retail merchants offering goods and services other than food, also distribute Top Value Stamps to their customers.

Premium redemption stores (numbering 9 currently) are located in key cities in the area we serve. From September 19 to June 30, our stores alone have given out approximately 780 million stamps. These stamps are redeemable for valuable free gifts with an approximate retail value of \$1,600,000.

Top Value Stamps have been received enthusiastically by our customers and we believe they have made an important contribution to our sales increase.



Store display dispenses catalogs and stamp saver books in one of our new stores.



This shows the redemption store located in Park Square, in downtown Boston.



Billboards throughout the heart of our area and truck signs help call attention to valuable free Top Value gifts.



Over 1200 nationally advertised gifts are shown on display in attractive Top Value redemption store in our area.

PEOPLE

ARE OUR COMPANY'S
MOST IMPORTANT ASSET



JACOB RABINOVITZ

First vice president and one of the original founders of Stop & Shop. He has been a vice president of the company for over 28 years.



M. F. O'CONNELL

Vice president of our produce subsidiary, also directs our extensive Maine potato operations. He has been with Stop & Shop 28 years.



TOP CHECKER. Kay DiMaggio of our Fellsway store was Northeast Regional Winner in Super Market Institute's "Checker of the Year" Contest. Kay placed second in International Finals.



SCHOLARSHIP WINNER. Rodney Shank, grocery clerk in Lawrence, won one of the 28 NAFC scholarships in Food Retailing at Michigan State Univ. in national competition.



BUILDING FOR THE FUTURE. Each regular employee's performance is reviewed at least once a year and a growth program mapped out. L to r, Store Mgr. Canham, Cash Dept. Head Garafolo and District Manager Murphy.



ENCOURAGING 4-H MEMBERS. William Frank, store manager of our Memorial Drive, Cambridge store, presents Stop & Shop Cup to winner of Middlesex County 4-H Club livestock exhibition.



GOOD CITIZEN AWARD. Al Kaizzi, Worcester store manager, and nominee for national award in the NAFC Good Citizen program, soothes children with Stop & Shop lollipops after they got their polio shots.

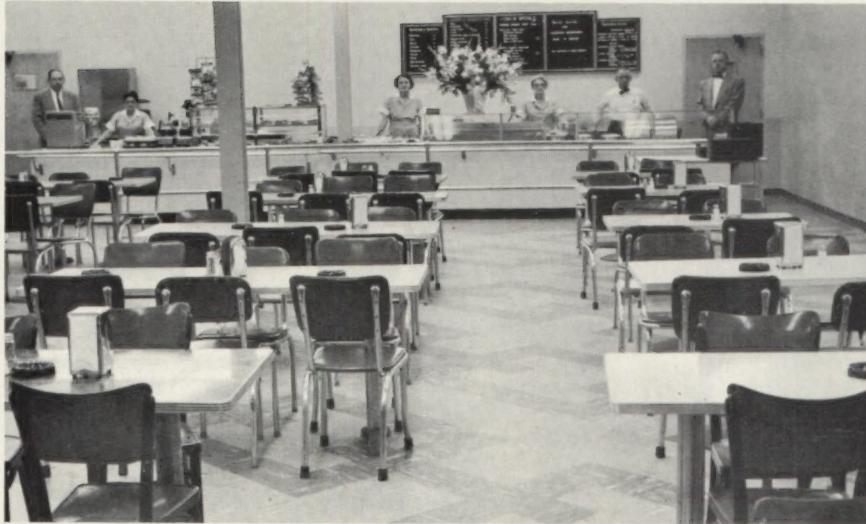


AIDING YOUTH are District Mgr. David Fine (r) and Grocery Mgr. Arthur Granfield (2nd left) of Springfield, who helped Junior Achievement members make a success of their project.

In this Annual Report there are photos of just a few of the people who make Stop & Shop's family of employees. It takes people to get ideas — it takes people to do the selling — and in between comes the energy and brains of many others. Without the efforts of our 3685 employees, there would be no Stop & Shop. We are ever mindful of the fact that it is with people and through people that we will achieve pre-eminence. Because people are so important to our success, we have worked out this set of principles to govern our day-to-day relations:

1. Deal with each employee fairly and with respect for his human dignity.
2. Provide good wages and working conditions and social benefits consistent with current practice in our industry and company earnings.
3. Make every effort to insure security of employment.
4. Provide safe and pleasant work environments.
5. Develop employees in accordance with their natural capacities and afford opportunities for advancement based on merit.
6. Conduct fair and just relations with representatives chosen by employee groups.

A BETTER PLACE TO WORK



CAFETERIA AT HEADQUARTERS is attractive and presents a variety of food in economical and appetizing dishes. It is a place to socialize at lunchtime. It serves as the commissary at coffee breaks.



OUR BOWLING LEAGUES operate with enthusiastic success through the winter season and are climaxed by the popular Bowling League Dinner and Dance in the Spring.



UNION-MANAGEMENT LUNCHEON on the occasion of signing of the store union contract. Attending are representatives of 11 union locals, company supervisory and executive people. Regular get-togethers promote better understanding of mutual problems.



VISITING ILL EMPLOYEES. Manager of Warehousing and Transportation David McDonald drops in at the hospital to visit Arthur Jesson of our Warehouse. Friendly interest, plus sick pay and Blue Cross Blue-Shield benefits, help greatly at such times.

A BETTER PLACE TO TRADE



THE APPETIZER DEPARTMENT is yet another way in which Stop & Shop offers our customers that something "extra."



STOP & SHOP'S OWN BAKED GOODS have won a reputation for quality and have cemented many customers to our stores.



THE COURTESY BOOTH where personal checks may be cashed and register checks purchased is flanked by a popular Stop & Shop customer service: the Neighborhood Bulletin Board. Another customer service is the supply of helpful, free recipes available in adjacent racks.



STORE DIRECTORY covering an entire wall enables customers to locate the items they want wherever they stand in the store. The increased size of our new stores makes it important to pin-point the location of our many items.

